

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 NSC-05 CIAE-00 DODE-00

INR-07 NSAE-00 PA-01 USIA-06 PRS-01 EB-07 AID-05

STR-04 OMB-01 TRSE-00 COME-00 ITC-01 AGR-05 AGRE-00

IO-13 DHA-02 SCA-01 L-03 /090 W
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P R 242130Z SEP 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC PRIORITY 2290

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBJQSY TEGUCIGALPA

C O N F I D E N T I A L SAN SALVADOR 4456

E.O. 11652: GDS

TAGS: PGOV, PFOR, ES, HO, ECIN, XK

SUBJECT: ASST. SECRETARY SHALUDEMAN VISITS EL SALVADOR

REF: (A) SAN SALVADOR 4394, (B) SAN SALVADOR 4398

1. ASST. SECRETARY SHLAUDEMAN SPENT A TOTAL OF 24 HOURS IN SAN SALVADOR ON SEPTEMBER 21-22. IN THAT SHORT TIME HE ATTENDED A COUNTRY TEAM BRIEFING; PAID A COURTESY CALL ON THE PRESIDENT; COHOSTED, WITH THE AMBASSADOR, A LUNCH FOR THE PRESIDENT AND TEN OF HIS CLOSEST ADVISORS; ADDRESSED THE ENTIRE MISSION STAFF; HELD A LENGTHY PRESS CONFERENCE; WAS THE GUEST OF HONOR AT A RECEPTION FOR THE AMERICAN BUSINESS COMMUNITY LEADERSHIP; AND PARTICIPATED IN A WORKING DINNER WITH EMBASSY REPORTING OFFICERS.

2. THE HIGHLIGHT OF THE VISIT WAS THE LUNCHEON WHEN PRESIDENT MOLINA, IN A BREAK WITH HIS POLICY OF NOT ACCEPTING INVITATION EXTENDED BY DIPLOMATIC MISSIONS, NOT ONLY SHOWED UP BUT BROUGHT HIS MINISTERS OF PLANNING AND DEFENSE, THE PRESIDENTS OF THE
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SUPREME COURT AND THE NATIONAL ASSEMBLY, IN ADDITION TO THE

MINISTER AND SUBSECRETARY OF FOREIGN AFFAIRS AND THE GOVERNMENT CANDIDATES FOR PRESIDENT (EX-MINISTER OF DEFENSE ROMERO) AND VICE PRESIDENT (EX-MINISTER OF HEALTH ASTACIO). THE LUNCHEON LASTED TWO AND A HALF HOURS. THE ASSISTANT SECRETARY, PRESIDENT, FOREIGN MINISTER AND THE AMBASSADOR HAD A HALF HOUR PRIVATE CONVERSATION, IN WHICH THE SALVADORAN SIDE PRESENTED THEIR ASSESSMENTS OF THE FOLLOWING:

(A) PRESENT STATE OF RELATIONSHIP WITH HONDURAS - FOREIGN MINISTER BORGONOVO EXPRESSED CONSIDERABLE PESSIMISM AND SKEPTICISM ABOUT THE POSSIBILITY OF SOON REACHING ACCOMMODATION WITH THEIR NEIGHBOR. THE FOREIGN MINISTER REITERATED THE GOH CONVICTION, BASED ON THE EXPERIENCE OF DEALING WITH THE GOH OVER THE LAST TWO YEARS, THAT EVERY TIME HOPES HAVE BEEN HIGH THAT THE TWO SIDES WERE NEAR AGREEMENT, THE GOH UPSET EVERYTHING BY CHANGING THE RULES OR THE PLAYERS. BORGONOVO SAID HE DOESN'T BELIEVE THE ECONOMIC ELITES IN HONDURAS FAVOR RESOLUTION OF THE CONFLICT, SINCE THEY ESSENTIALLY FEAR SALVADORAN COMPETITION IN COMMERCE AND TRADE. BORGONOV EXPRESSED HIS HOPE THAT THE PRESENT AGREEMENT TO USE A MEDIATOR BRING PROGRESS. BUT HE REMINDED EVERYONE THAT IN 1974 A SIMILAR AGREEMENT ON A MEDIATOR HAD BEEN REACHED, WHEN THE GOH SUDDENLY SWITCHED FOREIGN MINISTERS.

(B) CENTRAL AMERICAN COMMON MARKET (CACM) - BORGONOV SAID THAT HE BELIEVES THE GOAL OF COMPLETELY UNRESTRICTED FREE TRADE IS AN IMPRACTICAL ONE, PRINCIPALLY BECAUSE SEVERAL OF THE INVOLVED COUNTRIES WOULD OBJECT TO IMPLEMENTATION. HE THINKS THE GOALS SHOULD BE DRAWN MORE NARROWLY, PRODUCING LESS INITIAL EXPECTATION. THE CACM CAN ONLY EXPAND TRADE, HE SAID, TO THE EXTENT THAT EVERYONE INVOLVED AGREES TO THAT EXPANSION. HE BELIEVES INTEGRATION MAY ONLY PROGRESS AT A PACE CONSISTENT WITH THE WISHES OF ALL MEMEBERS. IN THIS VEIN, THE LATEST VERSION OF THE TRATADO MARCO IS MORE REALISTIC, AND HAS A BETTER CHANCE OF ACCEPTANCE, THAN ANY PREVIOUS DRAFT.

3. MEDIA COVERAGE OF THE SECRETARY'S ARRIVAL AND PRESS CONFERENCE WAS EXTENSIVE, AND GENERALLY FAVORABLE (REFTEL A). HOWEVER, SOME LOCAL MEDIA COMMENTED CRITICALLY ON PRESIDENT FORD'S DECISION TO RAISE TARIFF ON SUGAR, CONTRASTING THIS

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DECISION WITH SHALUDEMAN'S ASSERTION THAT US WAS INTERESTED IN INCREASING TRADE BETWEEN US AND LATIN AMERICA. THE PRESS CONFERENCE IN THE EMBASSY AUDITORIUM, COVERED BY REPORTERS FROM THE PRESS, RADIO AND TV, WAS EXCEPTIONALLY WELL ATTENDED AND PRODUCTIVE. AFTER AN OPENING STATEMENT, THE ASST. SECRETARY FIELDLED QUESTIONS ON A WIDE VARIETY OF HEMISPHERIC ISSUES, I.E., USG PERCEPTIONS PERTAINING TO THE EL SALVADOR-HONDURAS PROBLEM; THE VALIDIDTY OF CHARGES OF US

INTERVENTION IN THE RECENT DISTURBANCES IN PANAMA; AND THE
CENTRAL AMERICAN COMMON MARKET. USING THE SAME FORUM, THE
ASSISTANT SECRETARY WAS ALSO ABLE TO TOUCH ON THE PROBLEM OF
ILLEGAL IMMIGRATION TO THE UNITED STATES, AND USG CONCERN
WITH INTERNATIONAL RESPECT FOR HUMAN RIGHTS (REFTEL B).

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